

# MTUBATUBA

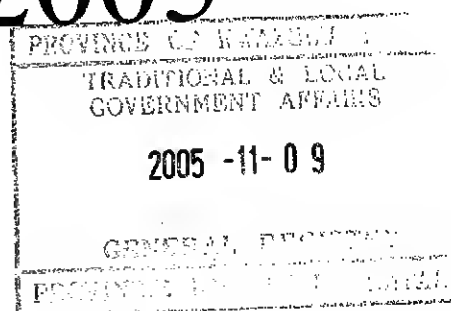
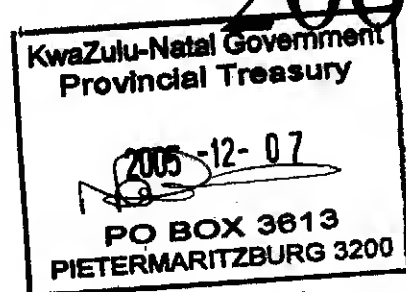
## MUNICIPALITY

No C/F/S



## Financial Statements

### 2004 / 2005



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## GENERAL INFORMATION

### MEMBERS OF THE MTUBATUBA MUNICIPALITY EXECUTIVE COUNCIL

Councillor CG Swart (Mayor)  
Councillor MMJ Mbatha (Deputy Mayor)  
Councillor MC Zungu (Speaker)  
Councillor B dos Santos

### MEMBERS OF THE MTUBATUBA MUNICIPALITY COUNCIL

Councillor JL Klopper  
Councillor CB Mkhwanazi  
Councillor A Msane  
Councillor N Olivier ( Resigned May 2005 )  
Councillor SS Zungu  
Councillor MP Govender

### GRADING OF THE LOCAL AUTHORITY

Grade 3

### AUDITORS

Office of the Auditor-General

### BANKERS

First National Bank of South Africa

### REGISTERED OFFICE

Civic Center  
St Lucia  
Mtubatuba

P O Box 52  
Mtubatuba  
3935

Telephone: 035 550 0069  
Facsimile: 035 550 0060

### MUNICIPAL MANAGER

ACTING MUNICIPAL MANAGER  
G Watson

### CHIEF FINANCIAL OFFICER

ACTING CHIEF FINANCIAL OFFICER  
LA Michael

### APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 11 to 24 were approved by the Acting Municipal Manager on 30 August 2005 and presented to and approved by Council on \_\_\_\_\_

  
\_\_\_\_\_  
ACTING MUNICIPAL MANAGER  
(ACCOUNTING OFFICER)

  
\_\_\_\_\_  
ACTING CHIEF FINANCIAL OFFICER

## GENERAL INFORMATION

### COMPILATION OF FINANCIAL STATEMENTS

The 2004 / 2005 Financial Statements were compiled by using the opening balances as per the General Ledger due to the fact that the Financial Statements for 2003 / 2004 had not yet been audited.

The information used for reconciliation and compilation of the statements was supplied by the Acting Chief Financial Officer and staff.

## FOREWORD

# REPORT OF THE AUDITOR-GENERAL

# MTUBATUBA MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Report by the Acting Chief Financial Officer

### 1 OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2005 are as follows:

INCOME	ACTUAL 2004 R	ACTUAL 2005 R	VARIANCE 2004/2005 %	BUDGET 2005 R	VARIANCE ACTUAL/BUDGET %
Opening Surplus	1,624,866	1,554,453			
Operating Income for the year	16,178,295	19,411,131	19.98%	17,215,820	12.75%
	17,803,161	20,965,584		17,215,820	
EXPENDITURE					
Operating Expenditure for the year	15,362,237	15,877,233	3.35%	17,185,820	-7.61%
Sundry transfers	886,471	1,505,098			
Closing surplus/(deficit)	1,554,453	3,583,253		30,000	
	17,803,161	20,965,584		17,215,820	

The water, sewerage and electricity functions have been transferred to Umkhanyakude District Municipality as from 1 July 2003.

### 2 CAPITAL EXPENDITURE AND FINANCING

Expenditure on Fixed assets during the year amounted to R9,747,292.00  
A comparison between actual and budget consisted of the following:

	ACTUAL 2005 R	BUDGET 2005 R	ACTUAL 2004 R
Administration	46,037	-	111,564
Library Services	4,278	-	-
Traffic Service	-	-	-
Public Works	39,950	-	103,610
Refuse	-	1,000,000	-
Electricity	-	3,574,000	-
Town Estates	-	5,175,000	-
Public Improvement Fund	-	-	-
Housing	9,657,027	-	11,239,632
	9,747,292	9,749,000	11,454,807

A complete analysis of capital expenditure (Budget and actual) per department, classification or service is included in appendix C.

Resources used to finance the fixed assets were as follows:

	ACTUAL 2005 R	BUDGET 2005 R	ACTUAL 2004 R
Contribution from revenue	90,265	50,000	218,821
Grants	9,657,027	9,699,000	2,015,629
Internal Loans	-	-	-
	9,747,292	9,749,000	2,234,450

More details regarding internal advances used to finance fixed assets are shown in appendix B.

### 3 EXTERNAL LOANS, INVESTMENTS AND CASH.

External loans outstanding on 30 June 2005 amount to R 264 471 (R 296 358 in 2004) as set out in appendix B.  
An amount of R 31 886 was repaid during the year.

Investments end cash on 30 June 2005 amount to R 6 179 626 (R 6 230 601 in 2004). Cash and investments represents the following:

Mtubatuba Low Cost Housing	483,830
Dukuduku Low Cost Housing	348,784
General Reservas	2,277,920
Capital Development Fund	3 067,592
Petty Cash	1,500
	<u>6 179,626</u>

More information regarding loans and investments are disclosed in note 3 and 5 of the financial statements.

#### **4 FUNDS, RESERVES AND PROVISIONS**

The movement regarding statutory funds, reserves and provisions is disclosed in the notes and Appendix A to the financial statements.

#### **6 APPRECIATION**

I would like to thank the Mayor, the deputy Mayor, Speaker, the Chairman and Members of the executive Committee, and other Councillors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year. A special word of thanks to the Department of Traditional and Local Government Affairs, the consultants and personnel of the Finance Department for their loyal and commitment in preparing the financial accounts of our municipality.

LA Michaels  
Acting Chief Financial Officer  
30 August 2005



## **ACCOUNTING POLICIES**

### **1. BASIS OF PRESENTATION**

- 1.1** The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1997) and Report on the Published Annual Financial Statements of Local Authorities (2<sup>nd</sup> Edition, January 1996).
- 1.2** The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in accounting policy note three. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3** The financial statements are prepared on the accrual basis:
  - 1.3.1** Income is accrued when collectable and measurable. Certain direct income is accrued when received such as traffic fines and certain licenses.
  - 1.3.2** Expenditure is accrued in the year in which it is incurred.

### **2. CONSOLIDATION**

The balance sheet includes the Rates and General Service, Housing Service and the different funds, reserves and provisions. All inter departmental charges are set-off against each other with the exception of assessment rates and refuse removal which are treated as income and expenditure in the respective departments. Water, Sewerage and Electricity services are rendered on behalf of the Umkhanyakude District Municipality and the net total is shown as an outstanding debtor in the financial statements. These functions have been allocated to the district municipality as from 1 July 2003.

### **3. FIXED ASSETS**

#### **3.1 Fixed assets are stated at:**

- 3.1.1** historical cost, or
- 3.1.2** valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation,

whilst they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated useful life as determined by the Treasurer.

### **3.2 DEPRECIATION**

The balance shown against the heading "Loans Redeemed and Other Capital receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful lives. Apart from advances from the various Council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against operating income and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

All net proceeds from the sale of fixed property are credited to either the Public Improvement Fund or Capital Development Fund, depending on which fund the property was acquired for and charged to. Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated useful lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance was made.

## **4. FUNDS, RESERVES AND PROVISIONS**

### **4.1 Capital Development Fund**

Section 103(9)(b) of the Local Authorities Ordinance 1974 (No. 25 of 1974) states inter alia that Council shall pay unto each Capital Development Fund not less than three per cent of the annual revenue accruing to the Borough Fund and to the relevant Trading Fund.

#### **4.2 Public Improvement Fund**

All monies raised in terms of Section 103(3) of the Local Authorities Ordinance 1974 (Ordinance No. 25 of 1974) are paid into the Public Improvement Fund. Advances from the Fund are repaid with the rate of interest determined by the Council.

#### **4.3 Housing Operating Account**

In terms of the Housing Act (Act 107 of 1997), the following has been implemented: -

- Amounts owing in respect of Provincial Housing Board loans, which have been extinguished, have been reflected in the Housing Operating Account.
- Fixed assets and housing debtors relating to these loans have been retained in the housing service.
- All monies held in the Housing Operating Account not used, are invested with a public institution in accordance with the Housing Act. Interest received on such amounts invested is held for future housing development.

#### **4.4 Leave Pay Provision**

The Leave Pay Provision was established in order to provide for accrued leave payments to all employees who are resigning or retiring from service as well as commutation of leave accruals during the year.

#### **4.5 Reserves**

Reserves were established for all conditional grants received from National and Provincial Government. These funds are specifically allocated to the purpose the grant was intended for and expenditure debited against these reserves should be in accordance with the respective business plan.

### **5. RETIREMENT BENEFITS**

Current contributions, past service costs and service adjustments are charged against operating income on the basis of current service costs.

### **6. SURPLUSES AND DEFICITS**

Surpluses or deficits arising from all operations are retained within the Rate and General Services account. Any surpluses or deficits arising from the operation of the water, sewerage and electricity services are retained in the Services for their own use at the district municipality and shown under the net Umkhanyakude debtor account.

## **7. LEASED ASSETS**

**Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.**

**Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.**

**All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the asset concerned.**

## **8. INVESTMENTS**

**Investments are shown at the lower of cost or, if a permanent decline in their value occurred, at market value.**

## **9. INCOME RECOGNITION**

### **Assessment rates**

**The Council applies a differential site rating system. In terms of this system the assessment rates are levied on the land value of property, and rebates are granted according to the use to which a particular property is put. A differential rate is applied to residential properties, whilst rebates are granted to Government and agricultural properties and to Lodge St Lucia, a community organisation.**

**MTUBATUBA MUNICIPALITY**  
**BALANCE SHEET AT 30 JUNE 2005**

	Note	<u>2005</u> R	<u>2004</u> R
<b><u>CAPITAL EMPLOYED</u></b>			
<b>FUNDS AND RESERVES</b>		38,734,232	37,852,435
Statutory Funds	1	36,456,312	35,807,583
Reserves	2	2,277,920	2,244,852
<b>ACCUMULATED SURPLUS</b>		3,583,253	1,554,453
<b>LONG-TERM LIABILITIES</b>	3	220,724	264,725
<b>CONSUMER DEPOSITS</b>	10	39,310	13,378
		<u>42,577,519</u>	<u>39,884,991</u>
<b><u>EMPLOYMENT OF CAPITAL</u></b>			
<b>FIXED ASSETS</b>	4	21,301,545	20,509,899
<b>LONG-TERM DEBTORS</b>	6	4,450,356	4,575,406
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		16,625,617	14,599,686
<b>CURRENT ASSETS</b>		22,819,995	20,242,073
Inventory	7	-	52,415
Short Term Investments	5	2,437,643	3,302,691
Debtors	8	16,640,369	13,959,057
Cash at Bank		3,741,983	2,927,910
<b>CURRENT LIABILITIES</b>		5,994,378	5,642,387
Provisions	9	1,102,052	1,000,955
Creditors	10	4,848,579	4,608,049
Loans - Short term portion	3	43,747	33,384
Bank overdraft		-	-
		<u>42,577,519</u>	<u>39,684,991</u>

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005**

<b>2004 ACTUAL INCOME R</b>	<b>2004 ACTUAL EXPENDITURE R</b>	<b>2004 SURPLUS/ (DEFICIT) R</b>
18,178,295	15,362,237	816,058
12,924,690	10,702,807	2,221,883
2,051,738	3,342,208	(1,290,472)
1,201,889	1,317,222	(115,353)
(1)	-	(1)
<u>18,178,295</u>	<u>15,362,237</u>	<u>816,057</u>
		(886,471)
		(70,413)
		1,824,688
		<u>1,554,453</u>

	<b>2005 ACTUAL INCOME R</b>	<b>2005 ACTUAL EXPENDITURE R</b>	<b>2005 SURPLUS/ (DEFICIT) R</b>	<b>2005 BUDGET SURPLUS/ (DEFICIT) R</b>
<b>RATES AND GENERAL SERVICES</b>	19,411,131	15,877,233	3,533,898	30,000
Community Services	18,112,925	11,383,323	4,729,602	1,464,150
Subsidised Services	1,882,418	3,117,014	(1,434,596)	(1,196,400)
Economic Services	1,815,788	1,376,896	238,892	(237,750)
<b>TRADING SERVICES</b>	-	-	-	-
<b>TOTAL</b>	<u>19,411,131</u>	<u>15,877,233</u>	<u>3,533,898</u>	<u>30,000</u>
Appropriations for the year			(1,505,098)	
Net surplus for the year			2,028,600	
Accumulated surplus beginning of the year			1,554,453	
Accumulated surplus end of the year			<u>3,583,253</u>	

# THE YEAR ENDED 30 JUNE 2005

NOTE	2005 R	2004 R
	8,111,435	20,373,660
16	(195,851)	(2,014,818)
	96,130	92,472
17	(2,237,385)	910,950
	(2,337,106)	(1,011,397)
	(57,462)	(67,319)
	2,394,568	1,078,716
	5,188,371	5,280,731
		14,136
	528,496	14,014,213
	(9,747,292)	(13,156,438)
	(1,635,857)	(1,312,842)
		5,904,381
18	(33,639)	(50,185)
19	865,048	(2,293,427)
20	804,448	(3,560,770)
	1,635,857	(5,904,382)

# EMENTS AT 30 JUNE 2005

2005 R	2004 R
4,315,936	4,439,238
7,222	7,222
127,198	128,946
4,450,356	4,575,406
-	52,415
14,109,877	11,194,100
656,791	856,791
4,882,846	6,042,600
853,477	-
2,052	2,052
	173
76,812	
2,751	7,578
356,290	356,290
20,940,896	18,259,584
4,300,527	4,300,527
16,840,369	13,959,057
467	497
487,250	-
614,802	700,954
1,102,052	300,000
	1,000,954
3,514,525	3,412,195
	204
515,091	471,277
818,963	724,373
4,848,579	4,608,049
39,310	13,378
4,887,889	4,621,427

# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

	2005 R	2004 R
<b>15 APPROPRIATIONS</b>		
Appropriation Account		
Accumulated surplus at the beginning of the year	1,554,453	1,824,866
Operating surplus for the year	3,533,898	816,058
Appropriations for the year	(1,505,098)	(886,471)
Accumulated surplus/(deficit) at the end of the year	<u>3,583,253</u>	<u>1,554,453</u>
Operating account		
Capital Expenditure	90,265	218,878
Contributions to Provisions	862,590	493,728
Bad Debts	-	-
To Municipalities for Functions	487,250	300,000
Audit Fees	170,000	193,728
Leave Pay	205,340	649,348
Contribution to Capital Development Fund	582,334	-
	<u>1,535,189</u>	<u>1,381,750</u>
<b>18 CASH GENERATED BY OPERATIONS</b>		
Surplus/(Deficit) for the year	3,533,898	816,058
Previous years operating transactions		(888,471)
Appropriations charged against Income:	1,535,189	1,361,750
Capital Development Fund	582,334	649,348
Provisions and Reserves	862,590	493,728
Fixed Assets	90,265	218,676
Capital Charges	407,385	460,736
Interest Paid	182,942	203,207
- Internal Funds	57,462	87,319
- External Loans	-	-
Redemption	133,322	140,025
- Internal Advances	33,639	50,185
- External Loans	-	-
Grants	(5,188,371)	(5,280,731)
Investment income (Operating Account)	-	-
Internal Interest Transferred to operating Account	-	-
Non-Operating Income		(68,005)
Public Improvement Fund	(47,733)	(28,487)
Consolidated Capital Development Fund	(48,397)	-
Housing Operating Account	-	-
Non-Operating Expenditure	1,117,296	1,608,312
Provisions & Reserves	-	-
Net movement in working capital	<u>(195,851)</u>	<u>(2,014,818)</u>
<b>17 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in Inventory	52,415	216,081
(Increase)/Decrease in Current Debtors	(2,681,312)	(17,091)
Decrease/(Increase) in long term Debtors	125,050	924,982
Increase/(Decrease) in Creditors	240,530	(213,023)
Increase/(Decrease) in consumer Deposits	25,932	-
	<u>(2,237,385)</u>	<u>910,950</u>



# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

	2005 R	2004 R
<b>18 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)</b>		
Loans Raised	(33,639)	(50,185)
Loans Repaid	(33,639)	(50,185)
<b>19 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS</b>		
Investments Made	(158,959)	(4,128,767)
Investments Realised	1,024,007	1,835,339
	865,048	(2,293,428)
<b>20 (INCREASE)/DECREASE IN CASH ON HAND</b>		
(Overdraft)/Cash beginning of the year	2,927,910	(832,860)
Cash at end of the year	2,123,462	2,927,910
	804,448	3,560,770
<b>21 RETIREMENT BENEFITS</b>		
Employees belong to the following retirement Funds		
<b>21.1 Natal Joint Municipal Pension Fund (Retirement)</b>		
An actuarial valuation was conducted as at 31 March 2003. At a funding level of 90.3% the account was in deficit to the extent of R22,417 million. The Actuary has recommended that special steps be not taken at this stage and that the position be reviewed early in 2004 to determine whether the account can afford the guaranteed increase in pensions to be granted.		
<b>21.2 Natal Joint Municipal Pension Fund (Superannuating)</b>		
At a funding level of 87.9% the account as in deficit to the extent of R 88,660 million. The funding level of the fund decreased from 98.9% to 87.95. The Actuary is satisfied that the self-reinsurance arrangement is appropriate for the fund and that the asset composition of the Fund is appropriate to the nature of the liabilities.		
<b>21.3 Natal Joint Municipal Pension Fund (Provident)</b>		
An actuarial valuation was conducted as at 31 March 2003. The market value of the Fund's assets did not cover the members' share account and the risk/investment reserve accounts. The fund thus held a negative investment reserve. No further action is however required in this regard because the payment of the interim monthly bonus had been suspended and the investment markets have recovered post-31 March 2003.		
<b>22 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
<b>23 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure		
Approved and contracted for		
Approved but not yet contracted for		
This expenditure will be financed from		
Internal sources		
External sources		
Provisional Grant		
<b>24 CONSOLIDATED CAPITAL DEVELOPMENT FUND</b>		
Outstanding advances to borrowing services	7,008,712	6,257,002
Accumulated fund	(3,067,582)	(1,823,888)
Less: External Investments	(3,314,100)	(3,783,287)
Temporary borrowings		
	627,020	670,017
(Refer to Appendices A and B for more detail)		

# **NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	<u>2005</u> <u>R</u>	<u>2004</u> <u>R</u>
<b>25 PUBLIC IMPROVEMENT FUND</b>		
Outstanding advances to borrowing services		
Accumulated fund	18,249,676	18,152,657
Less: Improvements	(16,633,657)	(16,633,657)
Temporary Borrowings	(881,725)	(858,169)
(Refer appendices B for more detail)	<u>734,294</u>	<u>660,831</u>
<b>26 HOUSING OPERATING ACCOUNT</b>		
Outstanding advances to borrowing services		
Accumulated fund	11,197,924	11,197,924
Represented by:		
Housing debtors	(4,315,936)	(4,439,238)
Fixed assets	(5,646,919)	(5,646,919)
Temporary borrowings	(1,235,069)	(1,111,767)
	<u>-</u>	<u>-</u>

**STATUTORY, RESERVE AND TRUST FUNDS, AND PROVISIONS**

	BALANCE AT 1 JULY 2004	CONTRIBUTION S FOR 2004/2005	INTEREST ON INVESTMENTS	OTHER INCOME	INTEREST ON INTERNAL ADVANCES	EXPENDITURE FOR 2004/2005	BALANCE AT 30 JUNE 2005
<b>STATUTORY FUNDS</b>							
Consolidated Capital Development Fund	8,257,002	582,334	48,397		290,356	189,377	7,008,712
Public Improvement Fund	18,152,857		47,733		148,304	97,018	18,249,678
Housing Operating Account	11,197,924						11,197,924
	<b>35,607,583</b>	<b>582,334</b>	<b>96,130</b>		<b>438,660</b>	<b>286,395</b>	<b>36,458,312</b>
<b>RESERVES</b>							
Disaster Claim - Low Cost Housing	150,000						150,000
Bursaries				12,404		25,705	(13,301)
M.A.P.	673,164			914,087		456,944	1,130,307
I.D.P. Review	101,457			150,000		8,504	244,953
PMS	165,000						165,000
Indigent Support	780,000					754,270	35,730
LUMS	50,000			200,000			250,000
GIS	70,000						70,000
Management Audit	71,738						71,738
Integrated Systems	150,808						150,808
ICS	22,689						22,689
	<b>2,244,852</b>			<b>1,276,491</b>		<b>1,243,423</b>	<b>2,277,920</b>
<b>PROVISIONS</b>							
Bad Debts	4,300,527						4,300,527
Audit Fees	300,000	170,000		89,408		559,408	-
Leave Pay	700,954	205,340				291,492	614,802
To Municipalities for Functions		487,250					487,250
	<b>5,301,481</b>	<b>862,590</b>				<b>850,900</b>	<b>5,402,579</b>

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## APPENDIX B

**EXTERNAL LOANS AND INTERNAL ADVANCES**

	BALANCE AT JULY 2004	RECEIVED DURING THE YEAR	REDEEMED OR WRITTEN OFF DURING THE YEAR	BALANCE AT 30 JUNE 2005
	R	R	R	R
<b><u>EXTERNAL LOANS</u></b>				
DBSA	296,358		31,887	264,471
BOE Corporate	1,751		1,751	-
	<u>298,109</u>	<u>-</u>	<u>33,638</u>	<u>264,471</u>
<b><u>INTERNAL ADVANCES TO BORROWING SERVICES</u></b>				
Public Improvement Fund	660,831		90,325	570,506
Consolidated Capital Development fund	670,017		42,997	627,020
Temporary borrowings				
-Capital Development Fund	3,763,287	461,983	911,170	3,314,100
-Public Improvement Fund	858,169	47,113	23,557	881,725
-Housing Operating Account	1,111,767	123,302		1,235,069
	<u>7,064,071</u>	<u>632,398</u>	<u>1,068,049</u>	<u>6,828,420</u>

## APPENDIX C

## ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004	SERVICE	BUDGET 2005	BALANCE AT 1 JULY 2004	EXPENDITURE 2005	REDEEMED, TRANSFERRED OR WRITTEN- OFF	BALANCE AT 30 JUNE 2005
R		R	R	R	R	R
318,937	<b>RATES AND GENERAL SERVICES</b>	6,175,000	32,228,651	90,265	-	32,316,918
111,584	Administration		1,514,062	48,037		1,560,099
	Bus rank		229,987			229,987
	Fire service		42,723			42,723
103,763	Health Service		4,414,155			4,414,155
	Library		442,140	4,278		446,418
103,810	Licensing		5,698			5,698
	Traffic Service		207,372			207,372
	Public Works		19,242,838	39,950		19,282,788
	Refuse	1,000,000	78,748			76,748
	Sewerage					-
	Town Estates	5,175,000	6,050,928			8,050,928
	<b>TRADING SERVICE</b>	3,574,000	-	-		-
	Electricity	3,574,000	-			-
	Water					
11,239,832	<b>HOUSING SERVICE</b>		16,481,979	9,657,027	-	28,139,006
11,239,832	Nordale Housing Scheme		5,242,347			5,242,347
	Mtubatuba & Dukuduku Housing		11,239,832	9,657,027		20,896,859
1,597,867	<b>PUBLIC IMPROVEMENT FUND</b>		16,633,857			18,633,857
13,156,438	<b>TOTAL FIXED ASSETS</b>	9,749,000	65,342,287	9,747,282	-	75,089,579
	<b>LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		44,832,388	8,955,646	-	53,788,034
	Loans redeemed		4,366,466	186,981		4,533,427
	Contribution from operating income		7,448,760	179,560		7,628,320
	Public Contribution		317,848			317,848
	Endowment					
	Grants and Subsidies		32,701,314	8,609,125		41,310,439
	<b>NET FIXED ASSETS</b>		20,509,899	791,646	-	21,301,545

# APPENDIX D

## ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2005

2004 ACTUAL R	INCOME	2005 ACTUAL R	2005 BUDGET R
5,720,252	Assessment rates	8,073,188	7,136,950 ✓
5,280,731	Provincial Grants and Subsidies	5,188,371	4,835,000 ✓
5,062,334	Other Income	5,978,973	5,168,870
114,978	Interest Earned	170,599	75,000
<u>16,178,295</u>	<b>Total Income</b>	<u>19,411,131</u>	<u>17,215,820</u>
	<b>EXPENDITURE</b>		
8,940,102	Salaries, Wages and Allowances	9,167,360	10,437,930 ✓
4,386,815	General Expenditure	4,291,940	3,951,150 ✓
381,066	Repairs and Maintenance	477,428	834,000 ✓
460,736	Capital Charges	405,315	733,650 ✓
218,676	Contributions to Capital Outlay	90,265	50,000
974,842	Contributions To Funds	1,444,924	1,379,090
<u>15,362,237</u>	<b>Gross Expenditure</b>	<u>15,877,232</u>	<u>17,185,820</u>
-	Less: Amounts Charges out		
<u>15,362,237</u>	<b>Net Expenditure</b>	<u>15,877,232</u>	<u>17,185,820</u>

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

2004 ACTUAL INCOME R	2004 ACTUAL EXPENDITURE R	2004 SURPLUS/ (DEFICIT) R
16,178,295	15,362,237	816,058
12,924,690	10,702,807	2,221,883
-	1,089,686	(1,089,686)
12,842,192	4,430,759	8,411,433
82,498	5,182,062	(5,099,564)
2,051,736	3,342,208	(1,290,472)
184,873	837,477	(652,604)
1,867,063	2,504,731	(637,668)
1,201,869	1,317,222	(115,353)
-	-	-
1,201,869	1,317,222	(115,353)
-	-	-
-	-	-
-	-	-
16,178,295	15,362,237	816,058
		(896,471)
		(70,413)
		1,624,868
		1,554,453

## RATES AND GENERAL SERVICES

Community Services
Council's General Expenditure
Management Services
Public Works
Subsidised Services
Community & Social Services
Public Safety
Economic Services
Sewerage
Refuse

## TRADING SERVICES

Electricity
Water

## TOTAL

Appropriations for the year
Net surplus for the year
Accumulated surplus beginning of the year
Accumulated surplus end of the year

2005 ACTUAL INCOME R	2005 ACTUAL EXPENDITURE R	2005 SURPLUS/ (DEFICIT) R	2005 BUDGET SURPLUS/ (DEFICIT) R
19,411,131	15,877,233	3,533,898	30,000
16,112,925	11,383,323	4,729,602	1,464,150
-	1,682,157	(1,682,157)	(1,507,070)
16,003,546	5,157,801	10,845,745	8,772,870
109,379	4,543,365	(4,433,986)	(5,801,850)
1,682,418	3,117,014	(1,434,596)	(1,196,400)
211,187	1,187,890	(956,703)	(1,082,810)
1,471,231	1,949,124	(477,893)	(113,790)
1,815,788	1,376,896	238,892	(237,750)
-	-	-	-
1,815,788	1,376,896	238,892	(237,750)
-	-	-	-
-	-	-	-
-	-	-	-
19,411,131	15,877,233	3,533,898	30,000
		(1,505,098)	
		2,028,800	
		1,554,453	
		3,583,253	